

May 10, 2005

Honorable James H. Welsh
Commissioner of Conservation
Department of Natural Resources
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: Proposed Alternate Unit Well
9250' Zone, Reservoir B (Exceptional Location)
Proposed Substitute Unit Well
Discorbis 12 Sand, Reservoir A (Exceptional Location)
Upper I Sand, Reservoir A (Exceptional Location)
Lower I Sand, Reservoir A (Exceptional Location)
BASTIAN BAY FIELD
Plaquemines Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Hilcorp Energy Company for the calling of a public hearing, after ten (10) days legal notice, to consider evidence relative to the issuance of orders pertaining to the following matters relating to the 9250' Zone, Reservoir B, Discorbis 12 Sand, Reservoir A, Upper I Sand, Reservoir A, Lower I Sand, Reservoir A for which units were established and rules and regulations adopted by Office of Conservation Order Nos. 339-R-1, effective July 18, 1995, 339-G-1, effective November 1, 1962, 339-SS, effective June 6, 1973 and 339-EE, effective November 1, 1962 respectively.

FOR THE 9250' ZONE, RESERVOIR B (ORDER NO. 339-R-1)

1. To authorize and permit Hilcorp Energy Company to drill and designate their SL 3212 No. 3 Well as an alternate unit well for the 9250' RB SUA, said well located approximately as shown on the plat attached hereto, in exception to the spacing provisions of Office of Conservation Order No. 339-R-1, effective July 18, 1995.
2. To find a tolerance of no closer than 100 feet from the nearest unit line for the proposed alternate unit well is necessary to account for the possible variance between the proposed location and the "as drilled" location.
3. Except to the extent contrary herewith, to continue in full force and effect the provisions of Office of Conservation Order No. 339-R-1, the unit created thereby, and applicable Statewide Orders.
4. To consider such other matters as may be pertinent to this application.

The designation of the well, as an alternate unit well for the captioned unit, will aid in meeting the market demand for gaseous hydrocarbons and condensate and will not cause any inequities to the Parties involved.

The 9250' Zone, Reservoir B, in the Bastian Bay Field, Plaquemines Parish, Louisiana, was fully defined in Office of Conservation Order No. 339-R-1, effective July 18, 1995.

FOR THE DISCORBIS 12 SAND, RESERVOIR A (ORDER NO. 339-G-1)

1. To authorize and permit Hilcorp Energy Company to drill and designate their SL 3212 No. 3 Well as a substitute unit well for the DISC 12 RA SUA, said well located approximately as shown on the plat attached hereto, in exception to the spacing provisions of Office of Conservation Order No. 339-G-1, effective November 1, 1962.

2. To find that the proposed substitute unit well is necessary to efficiently and economically drain a portion of the reservoir covered by the unit which cannot be so drained by any existing well within such unit.

3. To find a tolerance of no closer than 100 feet from the nearest unit line for the proposed substitute unit well is necessary to account for the possible variance between the proposed location and the "as drilled" location.

4. Except to the extent contrary herewith, to continue in full force and effect the provisions of Office of Conservation Order No. 339-G-1, the unit created thereby, and applicable Statewide Orders.

5. To consider such other matters as may be pertinent to this application.

The present unit well, the Phillips Petroleum Company - LL & E Fee No. 31 Well (SN 217949), was plugged and abandoned on June 17, 2002. The proposed substitute unit well, therefore, is necessary to recover hydrocarbons within the existing unit which would otherwise be lost.

The Discorbis 12 Sand, Reservoir A, in the Bastian Bay Field, Plaquemines Parish, Louisiana, was fully defined in Office of Conservation Order No. 339-G-1, effective November 1, 1962.

FOR THE UPPER I SAND, RESERVOIR A (ORDER NO. 339-SS)

1. To authorize and permit Hilcorp Energy Company to drill and designate their SL 3212 No. 3 Well as a substitute unit well for the UI RA SUA, said well located approximately as shown on the plat attached hereto, in exception to the spacing provisions of Office of Conservation Order No. 339-SS, effective June 6, 1973.

2. To find that the proposed substitute unit well is necessary to efficiently and economically drain a portion of the reservoir covered by the unit which cannot be so drained by any existing well within such unit.

3. To find a tolerance of no closer than 100 feet from the nearest unit line for the proposed substitute unit well is necessary to account for the possible variance between the proposed location and the "as drilled" location.

4. Except to the extent contrary herewith, to continue in full force and effect the provisions of Office of Conservation Order No. 339-SS the unit created thereby, and applicable Statewide Orders.

5. To consider such other matters as may be pertinent to this application.

The present unit well, the Phillips Petroleum Company - LL & E Fee No. 31 Well (SN 217949), was plugged and abandoned on June 17, 2002. The proposed substitute unit well, therefore, is necessary to recover hydrocarbons within the existing unit which would otherwise be lost.

The Upper I Sand, Reservoir A, in the Bastian Bay Field, Plaquemines Parish, Louisiana, was fully defined in Office of Conservation Order No. 339-SS, effective June 6, 1973.

FOR THE LOWER I SAND, RESERVOIR A (ORDER NO. 339-EE)

1. To authorize and permit Hilcorp Energy Company to drill and designate their SL 3212 No. 3 Well as a substitute unit well for the LI RA SUA, said well located approximately as shown on the plat attached hereto, in exception to the spacing provisions of Office of Conservation Order No. 339-EE, effective November 1, 1962.

2. To find that the proposed substitute unit well is necessary to efficiently and economically drain a portion of the reservoir covered by the unit which cannot be so drained by any existing well within such unit.

3. To find a tolerance of no closer than 100 feet from the nearest unit line for the proposed substitute unit well is necessary to account for the possible variance between the proposed location and the "as drilled" location.

4. Except to the extent contrary herewith, to continue in full force and effect the provisions of Office of Conservation Order No. 339-EE the unit created thereby, and applicable Statewide Orders.

5. To consider such other matters as may be pertinent to this application.

The present unit well, the Phillips Petroleum Company - LL & E Fee No. 31 Well (SN 217949), was plugged and abandoned on June 17, 2002. The proposed substitute unit well, therefore, is necessary to recover hydrocarbons within the existing unit which would otherwise be lost.

The Lower I Sand, Reservoir A, in the Bastian Bay Field, Plaquemines Parish, Louisiana, was fully defined in Office of Conservation Order No. 339-EE, effective November 1, 1962.

There are attached hereto and made a part hereof plats identifying the subject units along with the location of the proposed alternate and substitute unit wells. Pursuant to the Revised Rules of Procedure, a list of names and addresses of the Interested Owners, Interested Parties and Represented Parties to whom this application is being sent is being furnished only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list will be provided to any party requesting a copy. A diligent effort was made to ascertain the names and addresses of all Interested Owners, Interested Parties and Represented Parties as required by the Revised Rules of Procedure.

Finally, there is enclosed our check on behalf of the applicant, Hilcorp Energy Company in the sum of \$3020.00 payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES



Bill McAlister

BM/cu
Enclosures

cc: Mr. Richard Hudson
Office of Conservation
825 Kaliste Saloom Road
Brandywine III, Suite 220
Lafayette, Louisiana 70508-4284

Interested Parties, Interested
Owners and Represented Parties







